

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: June 4, 2010]²

Bill No. and sponsor: S. 2206 (Mr. Arlen Specter of Pennsylvania et al.).

Proponent name,³ location: LANXESS Corporation, Pittsburgh, PA.

Other bills on product (111th Congress only): None.

Nature of bill: Temporary duty reduction through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Benzoyl chloride (CAS No. 98–88–4) (provided for in subheading 2916.32.20).

Check one: ☒ Same as that in bill as introduced.
 ☐ Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject product is used in the manufacture of chemicals such as organic peroxides, dye intermediates, and rubber chemicals. The top three sources of dutiable imports in 2009 were Germany, China, and Belgium.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 2916.32.20:

	2010	2011	2012	2013	2014
					
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports ^a	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000
Customs revenue loss ^{b c}	\$494,000	\$494,000	\$494,000	\$494,000	\$494,000

^{a/} Dutiable import estimates were provided by industry sources.

^{b/} At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

^{c/} The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 6.5 percent ad valorem to 2.7 percent ad valorem, a reduction of 3.8 percentage points.

¹ Industry analyst preparing report: Elizabeth R. Nesbitt (202-205-3355); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill. USITC staff identified one additional beneficiary of this bill that was not identified by the sponsor/proponent, and that beneficiary submitted a written representation that it would benefit from this bill.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
LANXESS Corporation (Proponent) Jamie Schaeffer, jamie.schaeffer@lanxess.com	01/21/2010	No	No	No
3M Company Megan Ivory Carr, mmivory@mmm.com	01/21/2010	No	No	No
BASF Corporation Gregory A. Thies, gregory.thies@basf.com	01/21/2010	No	No	No
Bayer Corporation K. Niedermeyer, karen.niedermeyer.b@bayer.com	01/21/2010	No	No	No
Chemtura Corp. Lloyd N. Moon, lloyd.moon@chemtura.com Matt Mattingley, matt@mattingleygroup.com	01/21/2010	No	No	No
Ciba Specialty Chemicals Michelle Forte, Michelle.Forte@cibasc.com	01/21/2010	No	No	No
Daikin America Inc. Gary Stanitis, gstanitis@daikin-america.com	01/21/2010	No	No	No
Dow Chemical Co. Lisa Schroeter, LMSchroeter@dow.com Max Turnipseed, mctint@att.net	01/21/2010	No	No	No
Dupont Brian Curtis, Brian.Curtis@usa.dupont.com	01/21/2010	No	No	No
Eastman Chemical Co. Brent Perry, bperry@eastman.com	01/21/2010	No	No	No
Evonik Industries AG Russell Mait, russell.mait@evonik.com	01/21/2010	No	No	No
Fanwood Chemical Inc. V. M. (Jim) DeLisi, JdeLisi@fanwoodchemical.com	01/21/2010	No	No	No
GFS Chemicals John Long, JohnL@gfschemicals.com	01/21/2010	No	No	No
Monsanto Company Michael Parrish, Michael.Parrish@monsanto.com	01/21/2010	No	No	No
Solutia Inc. Bob Hurley, Rhurley@TheAccordGroup.com Kassie Wooton, KDWoot@solutia.com	01/21/2010	No	No	No
Twin Lake Chemical, Inc. James D. Hodan, twinlakechemical@aol.com	01/21/2010	Yes	Yes	Yes

Technical comments:⁴

The Commission staff notes that the proposed heading should be amended by deleting “2.70%” and inserting “2.7%”.

⁴ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

111TH CONGRESS
1ST SESSION

S. 2206

To suspend temporarily the duty on benzoyl chloride.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. SPECTER (for himself and Mr. CASEY) introduced the following bill; which
was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on benzoyl chloride.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. BENZOYL CHLORIDE.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new heading:

“	9902.01.00	Benzoyl chloride (CAS No. 98–88–4) (provided for in subheading 2916.32.20)	2.70%	No change	No change	On or before 12/31/2011	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

